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IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SAMBREEL HOLDINGS LLC; YONTOO LLC;
and THEME YOUR WORLD LLC,

Plaintiffs,

vs.

FACEBOOK, INC.,

Defendant.

Case No. 3:12-CV-0068-W-KSC

**DECLARATION OF BRAD MILLER IN
SUPPORT OF MOTION FOR
PRELIMINARY INJUNCTION**

Hon. Thomas J. Whelan

Hearing Date: April 23, 2012
Hearing Time: 10:00 a.m.
Dept: Courtroom 7

DECLARATION OF BRAD MILLER

I, Brad Miller, declare as follows:

1. I am the Chief Revenue Officer of Sambreel Holdings LLC. Throughout this declaration, I will refer to Sambreel Holdings LLC, Yontoo LLC, and Theme Your World LLC collectively as "Sambreel" unless there is a reason to refer only to a specific entity.

Sambreel Was Showing Consistent Growth

2. Prior to Facebook's interference, Sambreel was experiencing consistent growth – in active users, rates per ad impression, and revenues.

3. Sambreel has data showing the number of daily active users on all of its products and on PageRage beginning in April 2010. Between April 2010 and August 2011, the number of active users was consistently growing on both PageRage and Sambreel's other products. In April 2010, there was an average of approximately 780,000 daily active users on PageRage. By August 2011, the average number of daily active users on PageRage had increased to almost 4.5 million.

4. Along with the growing user base, the number of display advertising impressions served by Sambreel was growing consistently. Sambreel has data regarding the total ad impressions served by PageRage and its entire product line beginning in late September 2010. In October 2010, Sambreel served 15 billion ad impressions, and nearly 99 percent of those ads were served by PageRage. By November 2011, the number of advertising impressions served by Sambreel had risen to 57 billion, with almost 45 billion of those impressions coming from PageRage.

5. Advertising rates are generally seasonal, with higher rates toward the end of each quarter. And the rates are generally highest in December, as companies spend a considerable amount of money on advertising during the holiday season.

6. During the spring and summer of 2011, Sambreel was charging average advertising rates of 10 and 15 cents per thousand impressions delivered by PageRage.

7. Because of its increasing user base, increasing supply of advertising impressions, and generally steady or increasing advertising rates, Sambreel's revenues showed consistent growth over time. In January 2009, Sambreel's monthly revenue was just under \$75,000. By November 2011, Sambreel's monthly revenue had risen to \$8.3 million.

8. Sambreel had also been consistently profitable. In January 2009, Sambreel showed a monthly profit of \$46,008. By November 2011, the monthly profit was \$1.8 million. There was only one month in the interim that did not show a profit; in July 2009, Sambreel experienced a loss of less than ten thousand dollars.

1 9. By the second half of 2011, PageRage was consistently generating revenues of between
2 \$100,000 and \$150,000 per day. PageRage was, on average, generating advertising revenues of \$4
3 million per month.

4 10. Sambreel's consistent profitability allowed it to continuously develop and launch new
5 products. These new products, in turn, continued to fuel Sambreel's overall growth and allowed
6 Sambreel to diversify its revenue stream.

7 **The Trends Changed After Facebook's Actions**

8 11. Nearly all of the upward trends for Sambreel changed after Facebook began interfering
9 with its business.

10 12. I also understand that Facebook began threatening a number of the entities that purchase
11 advertising from PageRage and entities that served as intermediaries in such purchases. I understand that
12 between August and November 2011, a number of entities stopped doing business with PageRage as a
13 result of Facebook's threats.

14 13. Beginning in August 2011, the average rates that Sambreel was able to obtain for its
15 advertising inventory began to decline. By December 2011, the average rates that Sambreel could charge
16 had fallen to approximately 5 cents per thousand impressions. Sambreel has been unable to identify any
17 reason for the declining advertising rates other than the fact that a number of the most important
18 advertising partners had stopped doing business with PageRage.

19 14. I understand that in December 2011, Facebook began gating PageRage users. As I
20 understand it, these users were not allowed to access Facebook until they certified that they had
21 uninstalled the entire Yontoo Platform. The result of uninstalling the Yontoo Platform is to disable all of
22 Sambreel's products built on that Platform.

23 15. Based on internal analysis, Sambreel has concluded that it lost more than 1 million users
24 as a direct result of the gating. In any given period, there are a number of Sambreel users who either
25 uninstall or stop using the products. Even after subtracting for this normal loss – a loss that is generally
26 been at relatively constant rates – Sambreel lost approximately 1.4 million users during December 2011.
27 Sambreel has not been able to identify any explanation for this user loss other than Facebook's gating
28

1 campaign.

2 16. In addition to the existing users who were lost, Sambreel significantly reduced its
3 marketing spend in direct response to the gating campaign. Sambreel estimates that there were
4 approximately 300,000 users that were never acquired as a result of this marketing spend reduction.

5 17. The loss of users resulted in a significant decrease in the number of advertising
6 impressions that Sambreel had available to sell across its product line.

7 18. In late December 2011, Sambreel had to agree to cease all advertising on PageRage so
8 that Facebook would stop its gating campaign. As a direct result, Sambreel has been losing the \$100,000
9 to \$150,000 in revenue that PageRage was generating by late 2011.

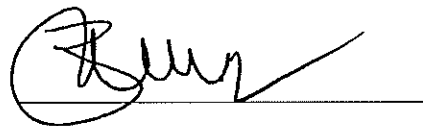
10 19. The timing of Facebook's gating campaign caused particular problems for Sambreel
11 because December should have been its most profitable month. Instead, Sambreel's revenues for
12 December fell precipitously, and Sambreel posted a loss of almost \$2 million for that month.

13 20. Sambreel has posted a loss in every month since December 2011. Theme Your World has
14 been operating at a significant loss during that same period because PageRage has not been generating
15 advertising revenue.

16 21. Exhibit 17 to Sambreel's Notice of Lodgment is a true and correct copy of an e-mail I
17 received from Joe Prusz of Rubicon Project on August 17, 2011. The e-mail contains a communications
18 that Rubicon Project received from Facebook on August 15, 2011.

19 I declare, under penalty of perjury, that the foregoing is true and correct to the best of my
20 knowledge.

21 Executed this 16th day of March 2012, at Carlsbad, California.

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24 Brad Miller
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